



# **2006**

## **ANNUAL REPORT**

**Economic Policy Institute**

SOFIA



## **F**OREWARD

It is my pleasure to submit to you the 2006th Annual Report of the Economic Policy Institute (EPI).

Since its establishment in the year 1997, EPI has been actively working in different areas related to Bulgaria's integration into the EU / transatlantic structures and effective participation in the global economy. For the past decade, one of the major goals of the organization has been to organize public events (experts' discussions, trainings, international conferences, etc.), as well as to conduct specific researches and provide expert's analysis.

During the calendar year 2006, EPI continued to pay higher attention and concern on rising the administrative and professional capacity of the public administrations in the region of South Eastern Europe. Within the considered period the seventh annual edition of the Summer Seminar "Preparation for EU Accession" was successfully implemented. The traditional SEE training took place on the Bulgarian Black Sea coast and targeted young public servants, dealing with EU affairs in the central administrative bodies in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Moldova, Montenegro, Romania, Serbia and Turkey. In addition to this, three consecutive meetings of the Club on EU Affairs ("T'Club") were conducted in Sofia, gathering experts of various SEE ministries, public agencies, parliaments, etc. Within the framework of the calendar year, in an effort to further engage in the area of building administrative capacity on the Balkans, EPI developed also the idea to establish a focal point in Bulgaria for training of local civil officials. A training seminar for municipal officials was organized in October 2006 in Sofia (Bulgaria).

A number of developments in 2006 contributed to put some of the problems at the top of the agenda of the Economic Policy Institute's activities. Those were issues related to migration, human capital and international competitiveness, human rights education, cross border cooperation, etc. A special attention was directed in the area of opening the banking sectors in South Eastern Europe to foreign investments. Within the framework of a research project, funded by the Austrian National Bank (Vienna) and focusing on the financial systems in Bulgaria, Romania, Croatia, FYR Macedonia, Serbia and Albania, EPI observed the effects on the banking sector development and identified the bank level effects of the entry of foreign banks.

During the calendar year 2006, EPI continued its tradition to broadly disseminate discussion results to decision makers whose measures will influence future developments. Therefore in its publications the Economic

Policy Institute presented ideas and suggestions relating to the current debate over crucial economic and political issues. By exploring alternative beliefs and assumptions of both domestic and foreign experts EPI was trying to better serve as a mediator of best practices and regulatory proposals. The policy recommendations produced on this basis were sent to Bulgarian Government authorities, the Parliament, domestic and international business associations, governmental agencies to take any appropriate action.

For the considered period, EPI enjoyed active and fruitful relations with domestic and foreign NGOs and other institutions and benefited of bilateral and multilateral cooperation that resulted in establishing a portfolio of expertises. A number of partnerships were established and a few "Co-operation Agreements" were signed with various institutions in Europe and North America.

Herewith, I would like to use this opportunity and to thank our partners and donor institutions for the continuous support they have rendered to EPI throughout the years. It is our belief that due to their kind engagement and collaboration we have succeeded in achieving positive results in the fields we have undertaken activities and conducted specific actions.



**Plamena Spassova**

*Executive Director, EPI*

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**Overview:** The Economic Policy Institute is a non-governmental non-for-profit organization, founded on 12 May 1997.

Its mission is to encourage and support the implementation of free market experience and know-how that will influence Bulgaria's effective participation in the global economy and its membership in Euro-Atlantic structures.

- Primary tasks:**
- to bring experts together to explore issues and exchange views in order to generate innovative proposals for practical economic policy measures;
  - to provoke public discussions on economic issues;
  - to provide independent expert opinions and analyses;
  - to inform and influence policy - and decision makers and the society;
  - to encourage pro-active dialogue;
  - to research economic issues and introduce best practices;
  - to provide analysis of alternative approaches to economic issues.

- Activities:**
- The main fields of activities for the EPI are:
- Research and forecasts on economic issues;
  - Analysis of alternative approaches to economic policies;
  - Recommendations of policy changes aimed at encouraging economic growth;
  - Training of various target groups;
  - Advocacy work: advising Government and Parliament bodies.

EPI has extensive experience in providing independent studies and analyses of key economic issues of the Bulgarian development. We have the expertise and capacity to deliver a comprehensive range of professional services, studies and provide alternative courses of action, recommendations and advice.

EPI team involves economists, foreign affairs experts and legal experts with in-depth expertise in private sector development, SMEs, financial services sector, FDI, capital markets. EPI professionals are dedicated to providing keen understanding of development issues and trends.

EPI has a wide network of national and international partners, and is experienced in managing projects, doing research and analysis, and providing comprehensive financial, economic, and strategic advice.

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*Vice Rector, Higher School for Finance and Insurance, Sofia*

## **E**PI'S TEAM MEMBERS:



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*Financial Director*



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*Director "Economic Projects and Programmes"*



**Monika Panayotova**

*Director "Projects and Public Communications"*



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*Director "EU Projects and Programmes"*

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*Research Director*

**Todor Ilinkolov**

*IT Specialist*

**Alexander Vladimirov**

*Project Assistant*



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## **EUROPEAN INTEGRATION COMMITTEE**

Chairman: **Glenda G. Rosenthal**  
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## **EDUCATION COMMITTEE**

Chairperson: **Julia M. Watkins, PhD**  
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## **MEDIA**

Chairperson: **Carola Kaps**  
*Correspondent, „Frankfurter Allgemeine Zeitung“, Brussels*

## **T**HE EFFECTS OF OPENING THE BANKING SECTORS IN SOUTH EASTERN EUROPE TO FOREIGN INVESTMENTS (2005 – 2007)

A research project focusing on the financial systems in the following six targeted South Eastern European countries: Bulgaria, Romania, Croatia, FYR Macedonia, Serbia and Albania, within the period of 1995-2005.

The project is implemented with the kind financial support of the Austrian National Bank, Vienna\*.

### **Goals:**

The overall objectives of the project are:

- On the one hand – to analyze in comparative terms, the effects of opening up the banking sectors to foreign investments and the successive strategies to do that;
- On the other hand – to observe the targeted six SEE countries at a different stage in their relations with the EU: Bulgaria, Romania, Croatia, FYR Macedonia, Serbia and Albania.

The project aimed at reaching the following specific goals:

- To observe the effects on the banking sector development of selected South Eastern European countries associated with the opening to foreign investments;
- To identify the bank level effects of the entry of foreign banks into these countries (on the bank management, efficiency and profitability);
- To analyze the impact of foreign banks on the process of closing the gap with the EU countries growth in lending and in deposits;
- To focus on the legal framework, especially according to the level of compliance (level of implementation) with the internal market acquis and the European practices of the countries in focus.

### **Activities:**

The project framework includes the following stages:

- 1) Careful selection of the authors who will be invited to participate in the analysis and will provide materials for the book. The research team is built of representatives of academic circles and banking sector experts.

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\* Jubilaeumsfonds Project of the Austrian National Bank N 11753/2005

- 2) Implementation of strict research structure. The research area is defined in four different sections:
  - Foreign Banks Penetration;
  - Management Practices;
  - Efficiency and Profitability;
  - Legal Aspects.
- 3) Carrying out of the two international workshops on “The Effects of Opening the Banking Sectors in South Eastern Europe to Foreign Investments”. In 2006 were held two Workshops which provided opportunities for further discussions on the working papers between the authors and external experts with rich experience on the research topic. During the gatherings were presented all the materials which was a necessary prerequisite for complete harmonization between the authors and additional evolving of the papers.
  - 16 June, 2006 - Workshop of the research team in Sofia;
  - 31 October, 2006 - Workshop of the research team in Sofia.

The project will be completed in 2007:

- 4) Further development of the papers will proceed at the beginning of 2007. The next workshop will be conducted in March;
- 5) All papers should be collected till the end of April 2007;
- 6) The Research team of the Economic Policy Institute and external experts will complete the editing work during May 2007;
- 7) The book “IMPACTS OF FOREIGN DIRECT INVESTMENTS ON BANKING SECTORS IN SOUTHEAST EUROPEAN COUNTRIES” will be presented to the public in July 2007.

**Publications:** IMPACTS OF FOREIGN DIRECT INVESTMENTS ON BANKING SECTORS IN SOUTHEAST EUROPEAN COUNTRIES, Economic Policy Institute, Sofia 2007.

**Participants:** The research team includes - bank practitioners, researchers and analysts from Austria, Slovenia and Bulgaria:

Project Leader: Prof. Wilfried Altzinger

Project Coordinator: Dr. Ivanka Petkova

**Authors of the book entitled:**

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Irena Mladenova  
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Dimitur Totev  
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## **T**HE ROLE OF HUMAN CAPITAL IN INTERNATIONAL COMPETITIVENESS. TRANSATLANTIC COMPARISON OF EXPERIENCE WITH MIGRATION IN THE UNITED STATES AND THE EUROPEAN UNION (2006 - 2007)

The still running project is being implemented in close cooperation with the Council on Social Work Education, Alexandria, VA; Katherine A. Kendall Institute (USA), the Institute for World Economics of the Hungarian Academy of Sciences (Budapest) and the Romanian Center for Economic Policies (Bucharest).

### **Goals:**

The overall objective of the project is to provide a forum for discussions and policy dialogue on the role of human capital in international competitiveness, with a special focus on migration. Specific goals of the transatlantic initiative are the following:

- To gather on one place representatives of the new EU member-states, the acceding countries (Bulgaria and Romania) and US experts;
- To generate constructive dialogue and focused discussions on migration policies and their economic impact on EU national and regional level;
- To make a comparative survey on the principles, practices and impacts of migration policies in the United States and in the (enlarging) European Union, through: 1.) identifying basic and economics-driven considerations of migration policies in the US and in the EU; 2.) comparing the patterns of migration by analyzing the longer-term (traditional) practice of larger net immigration member countries of the EU; 3.) measuring the economic impact of migration on growth, labor markets, institutions and international competitiveness in the EU and comparing it with US developments; 4.) placing special attention to the consequences of EU enlargement on migration from new and candidate countries to "old" EU members in general, and to the longer-term impacts on Europe's global competitiveness, in particular; 5.) outlining potential consequences of EU enlargement on (changing) competitive positions of the EU and the US both in the transatlantic framework and on the global scale.

- To analyze human capital formation policies in view of building national competitiveness on a transatlantic dimension and unmask the policy implications.
- To put special focus on stimulating exchange of observations and sharing of ideas between scholars and policy makers to contribute to generating of practical proposals and policy recommendations.

**Activities:**

Within the framework of the project an international transatlantic conference will be organized by the Economic Policy Institute together with the partners. The event is planned to take place on January 26th, 2007 in Bulgaria.

Till the very end of the calendar year was implemented the so called "Preliminary phase" (July 2006 – January 2007) of the project. This stage envisaged the technical and administrative preparation of the transatlantic conference in Sofia. The following activities took place:

- Finalizing conference agenda and invitees list;
- Preparation of case studies on Bulgaria, Hungary and Romania;
- Logistical preparation of the conference.

**Potential participants to the transatlantic conference:**

The following group of experts on migration and migration policies will be invited to attend the transatlantic conference:

- Representatives of governments (and especially ministries of education, ministries of economy, ministries of finance, etc.), governmental agencies and organizations working on issues related to human capital formation and competitiveness of the national economies of selected European countries and USA;
- Representatives of national parliaments;
- Experts of the European Commission and EU bodies (EU Parliament, etc.);
- Guests of EU-member-states' embassies to Bulgaria;
- Representatives of international financial institutions and organizations (World Bank, UNDP, OECD, International Labor Organization, International Organization for Migration, Stability Pact, etc.);

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- Representatives of the business community – business organizations and associations;
- Representatives of the academic community, and especially universities, national academies of sciences, research institutions;
- Experts of non-governmental and independent organizations, think-tanks, research institutes etc.;
- Media.

**Speakers:** Two speakers from each target state (Bulgaria, Hungary, Romania, USA) will be invited to attend the transatlantic conference: “The Role of Human Capital in International Competitiveness. Transatlantic Comparison of Experience with Migration in the United States and the European Union”:

- One expert/researcher;
- One representative of the government.

The experts will be asked to address their country’s specific experience from both angles: research and policy making.



## **S**EVENTH ANNUAL SUMMER SEMINAR FOR SEE YOUNG PUBLIC SERVANTS "PREPARATION FOR EU ACCESSION" (JUNE 01 - 05<sup>TH</sup>, 2006)

The Summer Seminars "Preparation for EU Accession" are annual training seminars for experts from SEE public administration structures, working in the field of European Integration and directly involved in the process of their respective countries' accession to the European Union. The countries involved in the project are: Albania, Bosnia & Herzegovina, Bulgaria, Croatia, FYR Macedonia, Moldova, Montenegro, Romania, Serbia and Turkey.

The current seventh edition of the traditional Summer Seminar was organized under the auspices of the Ministry of Foreign Affairs of the Republic of Bulgaria and the Bulgarian Ministry of State Administration and Administrative Reform. The training was successfully implemented thanks to the kind financial support of the Balkan Trust for Democracy (Belgrade); the Austrian Embassy (Sofia); the Know-How Transfer Centre (Vienna); DSK Bank (Sofia); Embassy of Ireland to Bulgaria (Sofia) and UNDP (Sofia).

### **Goals:**

The overall objective of the project was :

- On the one hand - to directly contribute to the process of European integration of Bulgaria and the neighboring SEE countries;
- On the other hand - to promote better and efficient communication, networking and regional co-operation among young experts in the public administration structures.

The project had several specific objectives:

- To create a basis for a cross border network among the young public administrators in the SEE region;
- To contribute to the process of exchange of experience and mutual learning on common problems related to the preparation for EU membership;
- To discuss most topical issues related to the process and prospects of European integration of the SEE region and the preparation for successful EU membership.

**Publication:** Preparation for EU Accession Summer Seminar 2006, Economic Policy Institute, Sofia 2006, ISBN-10: 954-9359-25-5; ISBN-13: 978-954-9359-25-1

**Activities:** The five-day long training seminar was organized on the Bulgarian Black Sea coast within the period June 01-05th, 2006 in "Albena" resort (near Varna). It took place in a friendly and multicultural environment where the transfer of knowledge and know-how is successfully combined with exchanges of experience and best practices drawn from different administrative systems.

The Summer Seminar devoted attention and time to both panel presentations and extensive working-group sessions, which were followed by general plenary discussions. The 2006 Edition focused on the following general topics:

- The Process of EU Integration – the Experience of the Acceding Countries;
- The Process of EU Integration – Challenges towards the Candidate Countries;
- The Process of EU Integration – the Potential Member States of the Union;
- The Process of EU Integration – Decentralization and Local Government Dimension;
- The European Integration Process – Economic Expectations and Tasks;
- EU Integration of South Eastern Europe: the Business Perspective;
- The Enlarging Union – the Insiders' Point of View;
- The Future of Europe.

**The Summer Seminar included also:**

Dinner speech on:

- Europe Needs a Soul

Working groups on:

- EU Accession World Café;
- The European Integration Process – Economic Expectations and Tasks;
- EU Integration of South Eastern Europe: the Business Perspective.

## List of Contributors:

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## **T**HE CLUB OF SEE YOUNG PUBLIC SERVANTS ("T'CLUB") – NETWORKING AND FURTHER DEVELOPMENT OF ITS ACTIVITIES.

The Club on European Affairs "T'Club" is a long-run regional initiative of the Economic Policy Institute that aims to contribute to increasing the administrative and professional capacity of SEE public servants, dealing with European integration issues (incl. preparation and managing of EU projects). Frequently organized regional meetings, workshops and conferences are taking place within the framework of the project. The aim of these public events is to enable a flexible and sustainable platform for communication and free flow of expert information on European affairs. The initiative seeks to contribute to reaching higher levels of effectiveness of the institutions in SEE region.

The current series of meetings, as part of the long-run regional initiative, were implemented with the kind support of the Balkan Trust for Democracy (Belgrade) and the Robert Bosch Foundation (Stuttgart).

### **Goals:**

The overall objective of the project is to improve the understanding of EU processes and policies, developing the capacities of the administrations of prospective member states to cope with European integration and develop cooperation between the state administrations.

The project has several specific goals:

- To enable a flexible and sustainable platform for communication between SEE public servants;
- To strengthen the cross-border cooperation and provoke free exchange of knowledge, experience, know-how, ideas and best practices among young civil servants (up to 35 years old) from the Balkan region;
- To create a professional and cooperation-friendly environment for the administrations;
- To promote best practices and European standards.

The frequently organized trainings in the frameworks of the initiative seek to:

- Serve as a focal point for knowledge transfer, research opportunities and discussions among experts from the SEE countries on EU funded regional cooperation projects;
- Identify fields and issues of common interest for future regional projects;
- Improve of the quality of human resources in public administration in SEE by providing professional training and an increasingly motivating environment; etc.

## **Activities:**

- I. Preparation of three regional meeting in Sofia;
- II. Organization and implementation of the three expert gatherings as follows:
- III. Issuing of three newsletters.

## **Public Events:**

- 1) Regional meeting on January 31st, 2006; Topic: "NEW TASKS AND PROSPECTS FOR THE BALKAN COUNTRIES ACCESSION PROCESS TO THE EU" – approximately 30 young public servants from the Balkan region took part in the expert gathering.
- 2) Regional meeting on 04 May 2006; Topic: "LOBBYING IN THE EUROPEAN UNION" – At about 40 participants from the SEE region (representatives of the state administrations, experts in the fields of lobbying, and diplomatic corps in Bulgaria) took part in the meeting.
- 3) Regional meeting on 11 December 2006; Topic: "DECENTRALIZED GOVERNANCE IN SEE – STATE ADMINISTRATION AND LOCAL AUTHORITIES IN THE EU ACCESSION PROCESS" - More than 40 participants from the Balkan region (representatives of the state administrations and local authorities) attended the public event.

## **Publications:**

Publications in specialized newspapers. Issuing of three newsletters, as follows:

- 1) Club on European Affairs – T'Club, issue 6 – Title: "New tasks and prospects for the Balkan countries accession process to the EU ", Economic Policy Institute, January Sofia 2006;

- 2) Club on European Affairs – T’Club, issue 7 – Title: “Lobbying in the European Union”; Economic Policy Institute, May 2006;
- 3) Club on European Affairs – T’Club, issue 8 – Title: “Decentralized governance in SEE – State Administration and local authorities in the EU Accession Process”. Economic Policy Institute, December 2006.

## **Speakers:**

- I. Regional meeting on 31 January 2006; Topic: “New tasks and prospects for the Balkan countries accession process to the EU”:

**Maria-Ionela Bulau**

*Integration Councillor, Implementation Directorate, Ministry of European Integration, Bucharest*

**Prof. András Inotai**

*Director General, Institute for World Economics, Budapest; President; Economic Policy Institute, Sofia*

**H.E. Mihail Rosianu**

*Ambassador of Romania to Bulgaria, Sofia*

**Kaloyan Simeonov**

*Chief Expert, EU Affairs and International Financial Institutions Department, Administration of the Council of Ministers, Sofia*

- II. Regional meeting on 04 May 2006; Topic: “Lobbying in the European Union”

**Marek Havrda**

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**Prof. András Inotai**

*Director General, Institute for World Economics, Budapest; President; Economic Policy Institute, Sofia*

**H.E. Jenő Faller**

*Ambassador of the Republic of Hungary to Bulgaria, Sofia*

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III. Regional meeting on 11 December 2006; Topic: "Decentralized governance in SEE – State Administration and local authorities in the EU Accession Process":

**Ivan Ivanov**

*Chief Expert, Monitoring and Reporting Sector, Coordination of National Strategic Reference Framework, Management of European Union Funds Directorate, Ministry of Finance of the Republic of Bulgaria, Sofia*

**Pavel Ivanov**

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## **P**REPARATION FOR EU ACCESSION – THE LOCAL DIMENSION (OCTOBER 25 - 29, 2006)

“Preparation for EU Accession – the Local Dimension” is a five-day long regional seminar for representatives of local administration structures of the countries from South Eastern Europe. The training project was implemented with the kind financial support of the Central European Initiative (Trieste), the Robert Bosch Foundation (Berlin) and the East East: Partnership Beyond Borders Program (London).

### **Goals:**

The overall objective of the project was to raise the administrative and professional capacity on EU issues of local experts, coming from the following targeted countries in South Eastern Europe - Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Montenegro, and Romania.

The project aimed at reaching the following specific goals:

- Strengthening daily cooperation and communication among municipal officials, dealing with the process of European integration;
- Creating a forum for exchange of experience, know-how and best practices among local experts from the targeted municipalities;
- Promoting best practices and European standards for good local governance;
- Providing a platform for discussions of different important and up-to date topics of common concern;
- Presenting various solutions for overcoming similar problems faced on local level;
- Contributing to raising the overall effectiveness of local institutions (municipalities);
- Raising awareness of the citizens on processes, taking place on local level.

### **Activities:**

1. Activity 1 – Conceptual, technical and administrative preparation of the five-day long seminar;

2. Activity 2 – Carrying out of the Local Training seminar: “Preparation for EU Accession – the Local Dimension” in Sofia (Bulgaria);
3. Activity 3 – Publishing and dissemination of an edition with seminar’s proceedings.

The five-day long training seminar took place within the period 25-29 October 2006 in the suburbs of the capital Sofia in SPA Hotel „Bankya Palace”, Bankya. The event gathered 56 representatives – experts from EU and SEE countries, municipal officials from the targeted countries, etc. The program focused on the following topics: Local Government and the Process of European Integration; Administrative Capacity and Role of Local Governments in South East Europe; The Local Authorities and the Absorption of EU Funds; The Local Governments and the Business; The Future of Europe.

**Results:** The seminar generated relevant network-building impacts, resulting in a new quality of SEE cross-border cooperation. It successfully implemented project benefited to the improvement of the exchange of experience, knowledge, best practices and working in network among SEE municipal officials and EU experts, who otherwise usually do not have the opportunity to meet each other.

**Publications:** PREPARATION FOR EU ACCESSION – THE LOCAL DIMENSION, Economic Policy Institute, Sofia 2006, ISBN:978-254-9359-27-5

**Participants:** Representatives of local administration from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Montenegro, Romania, participants from leading NGOs from Central and Western Europe and representatives from academic and business circles.

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*State Expert and Secretary of RDOP Working Group, Di-  
rectorate General „Programing of Regional Development”,  
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**Gerhard Visser**

*Chargé d`Affaires a.i., South African Embassy to Bulgaria, Sofia*

## **H**UMAN RIGHTS EDUCATION – AN INSTRUMENT FOR IMPROVING THE QUALITY OF EDUCATION IN BULGARIA (14 - 15 DECEMBER 2006)

The project was implemented with the kind financial support of the UN Resident Coordinator in Bulgaria and the expert assistance of Ministry of Education and Science.

### **Goals:**

The primary goals of the project were:

- To draw the attention on the human rights education in schools in accordance with the international obligations of the country;
- To prepare a common action plan for all participants concerned;
- To encourage partnership and cooperation on all levels with the aim of improving the quality of the education through the development of the human rights culture, and through obtaining knowledge and abilities for human rights protection.

The project had several specific objectives such as:

- Generating ideas for human rights based education;
- Synchronizing the efforts of the institutions and the organizations, offering programs for qualification of the pedagogical staff on human rights;
- Introducing of innovative approaches and models for human rights education in the schools.

### **Activities:**

- I. Preparatory Meeting of stakeholders to arrange the agenda of the conference;
- II. Meeting of the Working group and the Secretariat to prepare the program and the list of participants;
- III. Preparation for a national conference in Sofia;
- IV. Organization and implementation of the national conference on "Human rights education – an instrument for improving the quality of education in Bulgaria" that included:  
1.) Presentations of preliminary prepared reports on the topic; 2) Discussions and exchange of ideas, best prac-

# PROJECTS

- tices and experience in working groups and ateliers; 3)
- Presentation of working groups' results and conclusions;
- V. Publication and dissemination of the conference materials.

**Publications:** The conference materials and proceedings are being gathered and will be published in a book at the beginning of the year 2007.

**Public Events:**

National conference "Human rights education– an instrument for improving the quality of education in Bulgaria" (December 14 – 15, 2006, Sofia)

**Participants:** Around 100 experts from the Ministry of Education and Science, Ministry of Labor and Social Policy, Ministry of Foreign Affairs, Administration of the President of Republic of Bulgaria, National Assembly of the Republic of Bulgaria - Education and Science Committee and Human Rights and Religious Affairs Committee, State Agency for Youth and Sports, UNDP, UNICEF, UNESCO and others attended the national conference in Sofia.

**Speakers:** Welcoming addresses delivered by:

**Mukaddes Nalbant**

*Deputy Minister, Ministry of Education and Science of the Republic of Bulgaria (Sofia);*

**Neil Buhne**

*Resident Representative, UNDP – Bulgaria (Sofia);*

**Octavian Bivol**

*Resident Representative, UNICEF – Bulgaria (Sofia);*

**Andrey Tehov**

*Director, Human Rights and International Humanitarian Organizations Directorate, Ministry of Foreign Affairs;*

**Nadejda Radeva**

*Ministry of Foreign Affairs of the Republic of Bulgaria (Sofia);*

**Ognian Gerdjikov (welcoming letter)**

*Chairman, Human Rights and Religious Affairs Committee, National Assembly of the Republic of Bulgaria.*

## Plenary reports:

**Kosta Kostov**

*Chief expert, Ministry of Education and Science*

**Assoc. Prof. Dr. Viara Giurova**

*Faculty of Education, Sofia University "St. Kliment Ohridski"*

**Assoc. Prof. Dr. Siyka Tchavdarova-Kostova**

*Faculty of Education, Sofia University "St. Kliment Ohridski"*

**Iordanka Fandakova**

*Deputy mayor, Sofia Municipality*

**Marinella Radeva**

*President, Association for Integration of Refugees and Migrants (AIRM)*

## **R**OUND TABLE DISCUSSION: **"THE ROLE OF NGOs IN THE EU ACCESSION, EU COMMUNICATION"**

The round table discussion was implemented with the kind financial support of the Bulgarian-Hungarian Chamber of Commerce and thanks to the kind hospitality of Grand Hotel Sofia. It's main goal was to reveal the importance of the non-governmental sector in the process of EU Integration.

### **Activities:**

1. Activity 1 – Technical and administrative preparation of the one-day Round table discussion;
2. Activity 2 – Conduction of the public discussion on topic: "The role of NGOs in the EU accession, EU communication", August 25, 2006, Grand Hotel Sofia.

### **Achieved results:**

The Round table discussion resulted in:

- Revealing the point of view of representatives from one of the new EU member-states – Hungary on the social and economic development in Bulgaria in the recent years;
- Focusing on Hungarian experiences of the state's pre-accession and after accession period to the EU;
- Revealing the significant role of NGOs in the practical realization of Hungarian communication strategy;
- Ensuring good basis for discussions on the role of the process of development and implementing EU funded projects, in the coordination and communication of the regional authorities, as well as in the coordination and communication between NGOs situated in the different regions of Europe;
- Preparing analysis on the potential of the Bulgarian regional administration to develop appropriate projects in accordance with the strategic planning of national policy and the coordination of the negotiation process.

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## Public Events:

Round table discussion, largely covered by the press, on the topic "The role of NGOs in the EU accession, EU communication" (August 25, 2006, Grand Hotel Sofia)

## Participants:

Over 40 representatives of different non-governmental organizations, of the public administration, the business and academic circles.

## Speakers:

### **Dr. Klara Dobrev**

*Head of the Secretariat of the Permanent State Secretary of the Ministry of Finance in 1995;*

*Legal Advisor to ALTUS Investment and Holding Co. in 1997; Deputy Director General of the Entrepreneurial and Regulatory Department at the Ministry of Finance (1998–2000); Vice-President of the National Development Planning and EU Support Office attached to the Prime Minister's office in 2002; wife of the Hungarian Prime-minister*

### **Dániel Ambrus**

*Pillar Foundation, (Hungary)*

### **Mr. Valentin Chavdarov**

*Agency for Economic Analysis and Forecasting, (Bulgaria)*





## **C**ONTRIBUTION TO:

### **“CROSS-BORDER CO-OPERATION IN THE BALKAN-DANUBE AREA – AN ANALYSIS OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS”**

**A project of the Institute of International Sociology  
of Gorizia.**

*The initiative is realized with the kind financial support of the  
Council of Europe.*

#### **Content of the project:**

The Institute of International Sociology of Gorizia chose the Economic Policy Institute as a partnering institution. The EPI's research team was responsible for collecting and summarizing accurate data for the following border areas: Bulgaria – Greece, Bulgaria – FYR Macedonia and Bulgaria – Turkey. The project was accomplished under the scientific direction of Alberto Gasparini, Director of the Institute of International Sociology and under the co-ordination of Antoanella Pocecco and Moreno Zago.

The provided report contains analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT) of transfrontier co-operation in the mentioned above border areas. It is a mixture of a geographical and historical background, economic and infrastructural characteristics, cross-border declarations and agreements and propensity towards cross-border co-operation and the evaluation of the identified SWOT variables according to the provided table.

The targeted countries by the study are: Albania, BiH, Montenegro, Bulgaria, Croatia, FYR Macedonia, Moldova, Romania, Turkey, Hungary and Serbia. Cross-border co-operation falls within this complex framework as a planning approach that is both specific and profitable. Cross-border co-operation is specific because it encompasses the individual territorial characteristics in an analysis that affects every aspect of society, and profitable because potentially it is an important instrument for solving tensions and conflicts. It is furthermore important to shift from the idea of a border

as closure and separation to that of a gateway towards the outside as an unique opportunity for the fulfillment of the principles of civil society and co-operation.

Indeed, vicious cycles relegating border areas to a marginalized and underdeveloped condition can be detected, even though 24% of the total population of the area inhabits them, accounting for 35 million inhabitants.

Many governments have to fully grasp the potential of “cross-border co-operation” and turn this instrument into a priority of their political agenda. The lack of a precise will in this respect often implies the mistaken belief that the benefits from co-operation are restricted to the directly interested areas, while – over time – co-operation can trigger widespread development processes.

**Activities:** The research team of the Economic Policy Institute conducted a serious analysis work during a one-month period (since end of October till the beginning of November 2006)

**The research team from the Economic Policy Institute:**

**BULGARIA – FYR MACEDONIA /Cross-border co-operation analysis/** - *Plamena Spassova, Executive Director, Economic Policy Institute, Sofia*

**BULGARIA – TURKEY /Cross-border co-operation analysis/** - *Yasen Georgiev, Research Fellow, Economic Policy Institute, Sofia*

**BULGARIA – GREECE /Cross-border co-operation analysis/** - *Kalin Marinov, Research Fellow, Economic Policy Institute, Sofia*

***The papers were composed and organized under the scientific direction of Ivanka Petkova, PhD, Chairperson & Chief Executive Officer, Economic Policy Institute, Sofia***

## **L**IST OF EPI'S PUBLICATIONS

(Issued in 2006)

**Summer Seminar for Young Public Servants, Preparation for EU Accession**, Economic Policy Institute, Sofia 2006, ISBN-10: 954-9359-25-5; ISBN-13: 978-954-9359-25-1.

**Защо и как да лобираме?**, Институт за икономическа политика, София 2006, ISBN-10: 954-9359-23-9; ISBN-13: 978-954-9359-23-7.

**Preparation for EU Accession – the Local Dimension**, Economic Policy Institute, Sofia 2006, ISBN: 978-954-9359-27-5.

**The Future of Europe - South-East Europe's Dimensions. The Balkans in Focus series**, Economic Policy Institute, Sofia 2006, ISBN-10: 954-9359-24-7; ISBN-13: 978-954-9359-24-4.

**“Обучението по права на човека – инструмент за подобряване качеството на образованието в България”**, Институт за икономическа политика (to be published)

### **Newsletters:**

**Club on European Affairs – T'Club, “New Tasks and Prospects for the Balkan Countries Accession Process to the EU”**, issue 6, year 2006.

**Club on European Affairs – T'Club, “Lobbying in the European Union”**, issue 7, year 2006.

**Club on European Affairs – T'Club, “Decentralized Governance in SEE – State Administration and Local Authorities in the EU Accession Process”**, issue 8 (to be published).

